



HRL news

Hazlett Rural Limited

GOOD BUGGERS BOOST CHEVIOT

The Kaikoura earthquake's impact on Cheviot businesses gave the local Cheviot Promotion Group a shot of adrenalin.

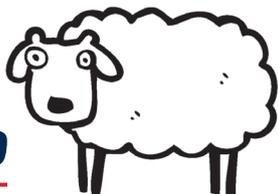
For a campaign headed "Be a Good Bugger" they put together \$120 hampers of local produce (some still available but be quick: info@cheviotnz.com) and then they went ballistic and assembled four \$500 versions that were offered as prizes.

Any visitor making a \$20 purchase in Cheviot during the month of February (*aka 'a good bugger'*) went into the four weekly draws for one of those big hampers – and they were also entered in a main draw earlier this month for an overnighter in Auckland, Wellington or Queenstown.

CPG secretary Lucinda Denton reports that business in the township was down 40–60% following the quakes but the campaign hit the spot: "Huge response! Unbelievable!"

Goes to show what we already knew ... there's lots of good buggers in Canterbury.

Dig Deep, Give a Sheep



HRL is getting in behind a very worthy fundraising effort inspired by Hamish and Gemma Guild of High Peak Station.

Last year their daughter Rosa had a brush with cancer and they were so touched by the support they received that they're giving something back by organising fundraisers for the Child Cancer Foundation.

Hamish has already put his dukers up in Methven for the cause – and did pretty well, too. Now they're running a campaign titled Dig Deep, Give a Sheep.

You can help ... by donating a sheep from the next line of lambs, hoggets or ewes you send to any sale at Coalgate. It can be any class of animal. We'll send the proceeds of that animal (or animals, if you choose to donate more than one) to the CCF – no GST or commission will be deducted, just the yard fee.

Simply note your intentions on the Animal Status Declaration form down the bottom with the reference and we'll do the rest.

We wish Hamish, Gemma and Rosa all the best with this terrific undertaking.



Rosa Guild now chipper after chemotherapy and surgery.

Broker Banter

Readers will recall we foreshadowed in the last issue an insurance industry agreement, following the Kaikoura earthquake, whereby private insurers would undertake all the scoping on damaged properties and then forwarding their reports to EQC for settlement. The aim was to eliminate situations as where multiple scopes by EQC and private insurers occurred following the 2010/11 earthquakes.

That is now in place and insurers are flat out scoping their clients' damages. We're sure everyone will understand the enormity of the job they have on their hands but they are pretty well-resourced and it should not be too long before they are in touch directly. However we cannot say exactly when that will be. HIB clients with any queries about this process or anything else can ring us (Sean Lysaght 027 462 0123; Krissy Winter 027 462 0159; Stephen Blyth 027 462 0157).

Bear in mind, too, that you are entitled to obtain your own scope. Insurance companies wish to cash settle wherever possible so you can get your own tradespeople to do the work in a timeframe to suit you. You can expedite this process if you have a tradesperson scope your work and write a detailed report, including photos, with a thorough costing of repairs. These reports should be sent to your Hazlett Insurance broker.

INSIDE . . .

From the GM	2
A note from DH	2
The Blokes' Diary	2
Client Profile: Wilfield Lamb Programme	3
Staff Profile: Steve Blyth	4
Hat Pic	4
The Blokes and Blokesses' Directory	4

FROM THE GM

So just when North Canterbury starts dealing with the aftermath of the quakes, the drought reappears in some parts of the region that were previously under the sword. We now enter a critical 6–8-week window where rain is badly needed to set people up for winter. The only mitigating factor, if you can call it that, is that most of the affected properties won't have yet returned to 100% of their usual stocking rate. How you can continually get beaten around the ears by drought following a summer that didn't really happen is beyond me but that's farming. The seasons are all up the creek, that's for sure.

Lamb sales are all over now. They were a little up on last year values-wise but of course nowhere near where we need them to be. The return on a lamb is still a fundamental driver in the fortunes of pastoral farming in Canterbury and it needs to be higher. The slight rise in values could well be down to old-fashioned supply and demand with the lamb kill back, we're told, by about 3%. We were also told that the schedule would drop off once the Easter trade peak passed but it hasn't yet and the fact that there has been some airfreighting suggests supply issues for the meat companies because they wouldn't be putting chilled lambs in aeroplanes unless they absolutely had to.

Beef keeps ticking along nicely and the prospects for the calf sales are good. Values last year were as high as we'd seen them for some time and indications are they could rise again this year although maybe there won't be the numbers yarded this year.

Everyone in HRL is flat out – Broker Banter covers what the HIB team is up to. As always, if the going's getting a bit tough on the post-earthquake front, please sing out. The Rural Supplies guys are also busy filling annual orders so everything's ready to go when spring comes (if we get one).

The Finance & Procurement team are going great and we now have Pamela Camp in the office to help with that paper trail, and out on the road up north Simon Kennedy has joined Angus Hazlett in the Manawatu to strengthen our presence in that region. Closer to home Jamie Hunt has returned home from the North Island to start with Geoff Wright and Travis Dalzell as a Junior Rural Bloke. We welcome these new blokes and blokes, knowing they will make a great contribution to a growing team that's working hard to make a difference for all our clients.

Ed Marfell General Manager

A NOTE FROM DH

Following on from Ed's note about the dry in North Canterbury, Hawkes Bay has been very dry as well and a lot of store stock has been wending its way south because of it, but they've had good rains so the truckies are now taking a break. In Central and Mid-Canterbury some irrigation wells are going dry with aquifers not being recharged by sufficient rainfall over the past couple of years. Central Cantabrians are confronting this with the Central Plains Water scheme – at great expense, one might say.

I can't help thinking to myself we need to get a real handle on what is going on around us. With political and market instability, water constraints, compliance around environment impact ... what does it all mean? What we need is broad-visioned knowledge of what tomorrow may look like and how we will deal with it. So let's ask ourselves, for example: what would it be like farm without urea? And, how can we produce less but get more? The dairy sector has in the main reduced animal numbers and repositioned cost structures and you could suggest it is taking them in a favourable direction. Since we simply don't have the industry scale to feed the world as some people seem to think we can, we need to shift towards feeding those who can afford to pay a premium for a quality food experience.

However, while we are doing that, we also have to deal with a more immediate problem: there is quite clearly a huge debt problem across all of New Zealand agriculture that we need to get control of. Our banking friends are turning the blowtorch on us in that regard and reducing debt needs to be a common goal across the whole industry. This is supremely important for regeneration or rejuvenation of our farms and ourselves, and so our families get a good start unlike some these days who don't get a decent start because their parents are more focused on tax avoidance than encouraging their kids to pay their taxes and keep their debt to a minimum, if incurring it at all.

Never ever forget the monster that never sleeps. Interest. It stays whether you are awake or asleep so getting rid of debt is critical.

David Hazlett Rural Bloke

The Blokes' Diary...

Mar 30 Cheviot South Calf Sale

Mar 31 Cheviot North Calf Sale

Apr 03 Castle Ridge Station Calf Sale

Apr 06 Coalgate & 1st Calf Sale

Apr 07 Culverden 2nd Calf Sale

Apr 12 Coalgate

Apr 20 Coalgate & 2nd Calf Sale

Apr 21 Culverden 3rd Calf Sale

Apr 27 Coalgate & High Country Calf Sale

Apr 28 Culverden 4th Calf Sale

May 04 Coalgate

May 11 Coalgate & In Calf Sale

May 18 Coalgate

May 25 Coalgate

Jun 01 Coalgate

Jun 08 Coalgate

Jun 15 Coalgate

Jun 22 Coalgate

Jun 29 Coalgate

Client Profile...

Some years ago David Hazlett was chatting to Robin and Pip Wilson about their Corriedales. “How many ewes would your ram clients put to rams that they’ve bought off you? Would there be twenty thousand?”

It was an exercise Robin had never done before. “We got a huge surprise when we worked out that about 100,000 ewes go to our rams every year.”

That was the seeding of the Wilfield Lamb Programme, which aims to finish lambs to optimum live weights when the market is at its traditional seasonal peak, in September–October.

Wilfield Corriedale Stud is a 500-ewe stud run by Robin, Pip and Gavin Wilson alongside three other studs of the same breed – giving a total of 1200 stud Corriedale ewes – on around 380 hectares at Halkett plus what remains of their original home farm at West Melton.

HRL partners with Alliance Group in various innovative programmes that procure and grow stock for processing in that company’s plants. Another such scheme was obviously bouncing around in DH’s head as he asked that question.

The WLP works like this: the Wilsons approach their flock ram clients offering to buy any male lambs sired by their Wilfield rams. The price is what the parties agree is the current store market rate plus a fixed premium.

Lambs purchased are then placed with contract finishers on the Canterbury plains who are paid a flat fee plus a share of the wool to have them up to an agreed carcass weight by the spring.

The Wilson’s long-time stock agent Craig Miller manages the stock movements and monitors their progress.

The lambs are shorn around the end of August. The wool is sold at auction and each year so far the same South African buyer has taken it all. Wilfield wool is highly regarded and it was the scheme’s potential to maximise its value, as well as that of the carcass, that DH used to sell the concept to the Wilsons in the first place.

If, upon processing, the animal generates a surplus, a share of that is paid back to the producer of the lamb.

Robin Wilson describes the scheme, now entering its fourth year, as a “win-win for everyone”:



Wilfield Lamb Programme

- Wilfield will grow its business through increased customer satisfaction: “It’s definitely getting traction with our breeders.”
- The 20 or so breeders get a premium for their store lambs; they don’t have to plan to carry them into summer, yet they retain the opportunity to participate in any returns from the lambs being finished to maximum value;
- The 7–8 finishers get their lambs landed at their farm without having to pay for them — and being Wilfield lambs, they are sound in the feet — and they get a cheque at the end of it, with no market exposure;
- Alliance Group gets the lambs.

The Wilsons are clearly very happy with the way this is shaping up.

“There’s no better feeling in this business than seeing progeny of a ram you’ve produced that look outstanding and the guy who’s got them thinking they’re fantastic. When you see customers happy with us, happy with the product and happy with their returns, that’s what it’s all about.”

They know the breeders are happy because they know their customers well – all rams are sold by private treaty – and work hard to build strong relationships with them. Fair dealing plays a big part in this. Last year a North Otago breeder agreed to sell the programme 300 lambs at \$2.45 a kilo. Within a week, Craig advised Robin that the market had moved to \$2.50; Robin rang the breeder and advised that the price would be \$2.50.

Robin is confident the finishers are happy with the scheme, as he visits them all about May to discuss it. One Mid-Canterbury finisher started with

Robin (left) and Gavin Wilson drenching the stud Corriedale ewes at their Halkett property.

the programme last year, running its lambs alongside others from elsewhere. This year he indicated that he wanted all his lambs to be from the WLP – and he wanted 4000 of them!

However, the Wilsons say there is a lot of work involved — and teamwork as well. Besides Craig Miller, Jo Manson in the HRL office partners with Pip Wilson to keep the paper trail under control, and that is substantial as both breeders and finishers are on written contracts. One breeder had never signed such a contract in his life but Peter Engel of HRL says it is essential: “If something goes wrong with the animals – deaths or whatever – you need to be clear whose responsibility that is, and not be relying on a conversation some time back. That may not be the old way but it gives everyone some protection.”

There is still a degree of risk for the Wilsons as there is no forward contract with Alliance, just a gentleman’s agreement that they will take the stock, and there is also the weather-related risk that they might end up with more store lambs at Halkett than they are able to handle.

“Some years have not been easy, and we know that some years will not be easy in the future,” says Robin.

Like any scheme that involves co-operation between farmers, it is essential that the personalities connect well. Pip enjoys the fact that most of those involved with the scheme are people that they have known for many years. She says it functions more like a network than a supply chain: “It’s all about people. That’s what gives me the buzz.”

Steve Blyth *HIB Broker*



Steve Blyth came across to HIB from Lumley Insurance in April 2015 after that business was bought by IAG.

He brought 28 years of insurance experience to his role at HIB, having been in the industry since he left school in 1986 and was with Lumley for

20 years. There, he dealt with a stable of 20 different broking firms. He eyed HIB as "Sean and the crew were really good and professional to deal with".

As well as the change, he was looking for a fresh challenge and he's been relishing it. "It's fantastic." With HIB he gets out from behind his desk and out meeting clients throughout Canterbury.

He says the HRL network is continuously yielding new referrals, often from people unaware that HRL offers an insurance service. New business can often result from dissatisfaction with other insurers, especially at claim time. He remains impressed at how the HRL team works cohesively in striving to offer clients with a quality all-round service.

Unsurprisingly Steve has vast experience in technical, road transport and rural commercial insurance. Having a guy of that experience is working well for HIB too in dealing with the larger insurance providers.

Christchurch born and bred, Stephen lives with his wife Amy and their three children, Riley, 11; Jake, 8; and Elsie, 5, in Rolleston where they built in 2000. The eldest and the youngest kids play soccer while Jake is playing league but that didn't stop him taking full advantage of the rare opportunity of field access after Israel Dagg's 100th Super Rugby game, against the Brumbies, and getting plenty of selfies with Dagg and other players! Keen bikers, they were all very disappointed they didn't manage to get into the Christchurch Adventure Park before the fires shut it down.

HAT PIC



'Stickman' claims to be Geoff Wright on top of Mount Roy. We'll give him the benefit of the doubt and donate \$250 to the Canterbury Branch of the Cystic Fibrosis Association.

HRL

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